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Ambitious plans follow slow start to change

Darrin Baines MSc, PhD

In our series on the history of prescribing policy, Professor Darrin Baines looks at the changes introduced by New Labour and their impact on pharmacists.

KEY POINTS

- 2000 New Labour's ambitious plan for modernising the NHS – The NHS Plan – was published
- 2000 The modernisation agenda for pharmacists was outlined in the publication of *Pharmacy in the Future*
- 2003 The OFT *Control of Entry* report was published which recommended an end to area protection for pharmacies
- 2003 The Health Committee responds to OFT suggesting the conclusions of OFT report not supported
- 2003 The government renews its commitment to pharmacy by publishing *A Vision for Pharmacy.*

During the New Labour campaign in 1997 Tony Blair used the slogan "24 hours to save the NHS" to help win the election. The NHS had been subject to strict financial constraints under the Conservatives. Public satisfaction with the health service was at a low, and Tony Blair's spin helped secure a win for the first Labour administration in 18 years.

In November 2000, Nigel Crisp was appointed chief executive of the NHS and permanent secretary at the DH. Five years after his retirement in 2006, his experiences of Labour health policy, from the perspective of NHS chief executive, were published in a book entitled *24 Hours to Save the NHS*.[1]

Commenting on the situation in 1997, Nigel Crisp said that if the Conservatives were ambivalent towards the health service, "Labour seemed simply to be against change, any change". He believed that Labour initially tackled the problems in health rather slowly: "There was a sense that it didn't feel there was very much that it needed to do to change the system and that by steering it wisely, providing more money and working with the staff the necessary improvements would come".

After a slow start, radical changes began in 2000 with the publication of the NHS Plan, then in 2001 money was released to fund change.[2] The plan to modernise the health service was ambitious, with over 200 targets introduced. Despite little progress on the NHS, Labour won the June 2001 election by "a quiet landslide". Among the silence, one incident marked out the election campaign. In front of television cameras, Sharron Storer criticised Tony Blair about the state of the NHS. As the incident suggested, Labour needed to quickly stir from its first term inaction and to deliver its proposed modernisation.

Reducing waiting times

After re-election, the Secretary of State for Health, Alan Milburn, pushed forward the modernisation agenda, particularly in relation to reducing waiting times. In 2002 he introduced NHS foundation trusts, as a halfway house between the public and the private sectors. The NHS Plan set targets on many fronts. In relation to prescribing, the plan promised to: end the postcode lottery in the prescription of cancer drugs; introduce electronic prescribing by 2004; reward pharmacists for their involvement in the management of medicines management and repeats; advise GPs on cost-effective prescribing for nicotine replacement therapy and buproprion; and promote better aspirin and statin use.

Despite the intention to modernise, these measures did little to improve the design and operation of the pharmaceutical system. Even if every target was delivered, the prescribing doctor and the dispensing pharmacist were still separated physically, organisationally, professionally and financially. It was clear that modernisation did not include an area of health service activity that had remained

unchanged since the introduction of the National Insurance Scheme in 1913.[3]

Postcode lottery

The failure of Labour policy makers to focus on prescribing as a problem requiring modernisation was not surprising. In relative terms, patients were complaining little about the pharmaceutical services they received. The only exception was protests about the postcode lottery for medicines.

Although there was a general outcry that home address could determine access to medicines, the problem was primarily caused by NHS budgetary arrangements not just local decision making. Financial budgeting for hospitals introduced in the mid-1970s created differences in drug policies between providers in secondary care. Similarly, the introduction of pharmaceutical budgeting under the fundholding and indicative prescribing schemes led to further differences in local drug choices.[4]

Postcode prescribing

Therefore, postcode prescribing could be seen as an "iatrogenic illness" caused by attempts to control drug costs through financial mechanisms that had unexpected outcomes in terms of medicines supply. Although there had been little pressure from patients to improve pharmaceutical services, in 1997 the profession's leaders lobbied the new government to create opportunities for pharmacy contractors to provide patient services. Based upon the recommendations in *Pharmacy In the New Age*, New Labour responded by publishing the supplementary policy document *Pharmacy in the Future – Implementing the NHS Plan*.[5] The document outlined the government's plans for giving patients better access to pharmacy services and for helping them to use medicines more effectively. The government also promised that the number of community pharmacies would increase and out of hours coverage would be improved.

Although the proposed measures would modernise pharmacy services, at their heart they were very cautious. The existing system of community pharmacies would not be undermined. Instead, the focus was on creating opportunities for pharmacists to extend their professional activities. Modernisation was therefore a controlled form of "re-professionalisation" rather than a complete pharmaceutical system redesign.[6]

Although the government was keen to support the pharmacy lobby in exchange for public support for its modernisation agenda, the Office of Fair Trading (OFT) was more willing to investigate the regulations governing community pharmacy. In January 2003, the OFT published a report entitled *The Control of Entry Regulations and Retail Pharmacy Services in the UK*.[7] The report detailed the findings of the body's investigation into the effects of Control of Entry Regulations on services available to consumers, as well as their costs.

OFT controversy

Based purely upon economic and consumer perspectives, the OFT concluded that the Control of Entry Regulations should end. Given the devastating effect that ceasing protected areas for local pharmacies could create, the report generated immediate controversy. In response, some critics argued that the recommendation sounded the "death knell" for smaller community pharmacies. Therefore, the government had the problem of dealing with the backlash of the OFT recommendation at a time when working hand-in-hand with pharmacy contractors was perceived as important to the success of the modernisation agenda.

The Health Select Committee decided to conduct a rapid inquiry into the OFT report, which began on 18 March and ended on 3 April, 2003. Based upon oral and written evidence from the key parties involved, the committee concluded that the existing system of control of entry was overly inflexible and in need of reform.[8]

However, evidence suggested that the OFT recommendation had the potential to make certain pharmacies unviable, potentially leaving some of the most vulnerable communities without any local pharmacy provision. Therefore, the committee did not agree with the economic and competition arguments made by the OFT. In response, the committee concluded that the deregulation of retail pharmacy would not lead to the predicted savings, either to the public purse or to business. On the contrary, there was some indication that (indirect) costs resulting from deregulation might, in fact, outweigh any possible savings.

The disturbance caused by the OFT report led the government to reinforce its commitment to community pharmacy with the publication in July 2003 of *A Vision for Pharmacy in the new NHS*.[9] The document began by welcoming the excellent progress achieved in implementing *Pharmacy in the Future*. The document also reported that good progress had been made in negotiating a new contractual framework for community pharmacy, which would keep the current structure intact. Following the publication of the OFT report, the Vision document outlined the government's view that the current shortage of pharmacists, combined with the progress made in modernising the profession, meant that the move towards a fully deregulated system of community pharmacy was not appropriate at that time. Instead, the Vision document outlined a package of measures designed to improve NHS pharmaceutical services which included:

- The introduction of new criteria of competition to the current regulatory test
- Exemption of four types of applications from that test
- Modernisation of the current system

As the measures suggest, the government was not keen to destabilise the current arrangements for dispensing by highly regulated, highly protected pharmacy outlets.

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Professor Darrin Baines, University of Coventry

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